H

11-3-14

File No. 148

1912.

Collection No. (3)

Mysore Residency

Pros. Serial Nos. 29–42

Subject.

Rules under the Provident Insurance Societies Act II of 1912

Previous References.	Later References.
	188/34

Office Note.

File No. 148/1912.

5.29

Letter No. 1385-96 *dated the* 2nd March 1914
from the Govt. of India, Dept. of Commerce & Industry,

SUBJECT.

Amendment of rules issued under Sec 24 of the Provident Insurance Societies (V of 19

The Indian Companies act, 1913 (VII of 1913) which is to come into force from the 1st April 1914, has not yet been applied by the C.M. Station of Bangalore.

The Govt. of India state that two classes of certificates are proposed to be issued under Sec 144 (2) of the Indian Companies 1913 (VII of 1913). They also state that it is intended that no certificates should be issued under the Provident Insurance Societies act, 1912 (V of 1912).

They suggest that rule IX of the rules issued by the Resident under Sec 24 of the Provident Insurance Societies act may be amended, as indicated in their letter.

If approved, this may be taken up after the Indian Companies act, 1913 (VII of 19 is applied to the C.M. Station of Bangalore

4/3/14 R.

C.R.S. 16/3/14

16/3

4.25. 17/3

S. I. B. P. B.—3-1912.—4,000.

Office Note.

File No. 148/1912

Letter No. dated

from

SUBJECT.

Rules under the Provident Insurance Societies Act 1912 (E of 1912).

Please see Govt letter at Sl 29 (flag C) Draft Notfn amending rule IX of the rules published under section 24 of the Provident Insurance Societies Act 1912 (E of 12) is submitted for approval.

Flag C

Sl 30 16/4 Rest.

Sl 31 16/4/14 Please see the G of I. letter at S.2 & the Madras amendment at Flag K. Notification may issue.

17/4

Sl 32

Issued No 33 & 23/4/14

le No. 148
1917.

dated

SUBJECT.

Amendment of rules issued under Insurance Societies Act V of 1912.

The draft amendments in the under the Provident Insurance Societies have been published for criticism, with the Draft No. 33 dated 23rd April 1917 Suggestions have been received. The amendments may now be finally

Draft Notification submitted for approval

D.O. 15/7/17 A.S. 1576.

After issue copies to G.O.I. &c.

S. 35.

Issued—No 43 dated 18th June 1917.

Copies of Notification may now be distributed. Three drafts are submitted for signature

D.O. 23/7/17. A.S. 2876

OTES AND PRECIS.

—R. P. B.—10-1911.—4,0(

No. 1385-96.

GOVERNMENT OF INDI

DEPARTMENT OF COMMERCE AND INDUSTRY

9/3/14

(INSURANCE)

Dated Simla, the 2nd Marc

14.

From

H.A.F. LINDSAY, Esquire, I.C.S.
Under Secretary to the Government of I

To His Honourable the Resident in Mysor

8126

9th ultimo with which you forwarded a copy of rules issued by y
under section 24 of the Provident Insurance Societies Act, 1912
(Act V of 1912), in respect of the Civil and Military Station o
Bangalore.

2. In reference to rule IX, which deals with the qualificatio
of auditors I am to say that the procedure for the certificatio
of auditors has now been revised and that the following extract
from a circular letter recently issued to all Local Governments
indicates the principles which will be generally adopted :-

"In the first place, it is now considered sufficient that
certificates should issue under the provisions of one Act only,
namely, under section 144 of the Indian Companies Act, VII of
1913. Such certificates will be of two classes :-

(a) "Restricted." i.e. entitling the holder to act as

older of this certificate is entitled to au
ompanies' accounts within the limits of the
rovince of ——— only.

estricted," i.e., entitling the holder to
ct as an auditor of companies throughout
ritish India; such certificates will bear a
ote to the effect that "The Local Governmen
as not exercised in respect of this
ertificate the authority granted to it unde
ection 144(2) of Act VII of 1913 to limit t
he province of ——— the right of the hold
o audit companies' accounts. This right
herefore be exercised throughout British In

The Government of India will shortly issue rules under
section 39(2)(a) of Act VI of 1912 prescribing the qualifica
tions to be required of the auditors of life assurance
companies. It is intended to provide in these rules th
all holders of unrestricted certificates granted by Local
Governments under section 144(2) of Act VII of 1913 shall
be regarded as qualified to act throughout British India as
auditors of life assurance companies also. I am to suggest
that, instead of providing for the grant of special certific
to auditors under the Provident Insurance Societies Act, it
would suffice to provide by a rule under section 24(2)(e) of
the Act that the holder of any certificate granted by the
Government of ~~this~~ ——— under section 144(2) of Ac
VII of 1913, or of an unrestricted certificate granted by any
other Local Government in exercise of the same statutory
power, shall be regarded as qualified to act as an auditor
provident insurance societies also, within the province of ——
As it is contemplated that all Local Governments should make
similar provision in their rules, the result will be that th
certificate granted under section 144 of Act VII of 1913 wi

tre the holder to audit the accounts of companies, life
rance companies and provident insurance societies
ughout British India, or to audit those of companies ar
ident insurance societies only within the province of
e, according as the certificate granted is unrestricte
estricted.

In the second place, I am to point out that, while t
rnment of India desire, as indicated in the 6th paragra
he letter in this Department, No. 5392-5405-3, dated th
July 1913, that applicants who have not passed the
cribed examination should normally be entitled to
risional certificates for two years only, they would ha
bjection to the grant of permanent certificates withou
ination in exceptional cases in which on account of ag
or any other reason, it is not considered desirable to
st that the applicant shall sit for an examination and
hich he is able to satisfy the Local Government, by
r means, of his competence. ~~The advisability of taki~~
~~r power by rule was indicated in paragraph 4 of yo~~

The revised procedure now laid down for the grant of
ificates may briefly be summarised as follows. There
wo classes of certificates, both of which will issue u
ion 144(2) of Act VII of 1913. Restricted certificat
be valid throughout the province of issue only and, a
cated in the second paragraph of this letter, will hav
fact plainly recorded upon them. The conditions
ted on these certificates should also indicate that,
view of the provisions of rule f the rules
ished by the Local Government under section 24(2)(e) o
V of 1912, the holder is also entitled to audit the
unts of provident insurance societies within the limit
of the province of ——————." The unrestricted certificate
should show, besides the note already suggested in the sec

graph of this letter, a further note to
holder is also entitled; -

> in view of the provisions of rule [illegible] of the rules issued by the Governor-General in Council under section 39(2)(a) of Act VI of 1912, to audit the accounts of life assurance companies throughout British India, and
>
> rules issued by the Local Government under section 24(2)(e) of Act V of 1912, to audit the accounts of provident insurance societies within the province of ———, e
>
> to audit the accounts of provident insurance societies in other provinces, subject to any restrictions imposed by the Local Government concerned by rule under section 24(2)(e) of V of 1912."

certificate will show th
permanent) the date of expiry.

n deciding whether an unrestricted or a restricted certificate should be granted in each case, it is recommended that the Local Government should consider the applicant's qualifications and should grant certificates of the former cla only to those who appear to be fully qualified to audit the accounts of life assurance companies."

5. It will be
certificates should be issued under the Provident Insurance Societies Act, but that, besides the members of exempted institutions, only the holders of restricted certificates g ed by the Local Government under section 144 of the Compani Act or of unrestricted certificates granted by any other L

to audit the accounts of provident insurance societies in any province. I am to suggest that rule IX be amended with a view to give effect to these principles. If you do not consider it necessary to issue certificates under section 144 of Act VII of 1913 entitling the holders to audit the accounts o companies and provident insurance societies in Bangalore, it would suffice to admit as auditors of provident insuranc societies,

_____s of the six institutions mentioned in existing rule IX, and

b. the holders of unrestricted certificates granted by other Local Governments under section 144 of Act VI

6. The Government of India have no suggestions to offer with regard to any other of the rules forwarded with your

I have the honour to be,

Your most obedient servant

H. A. Lindsay

er Secretary to the Government of India.

Thos. A. PALMER, F. L. A. A.,
CERTIFIED ACCOUNTANT & AUDITOR.
Representative in India for
The London Association of Accountants.

181, DHURRAMTALLAH STREET,

Calcutta, 11th March, ...

1761
16/3/14
148/1912

15/3

Rec'd. 17.3.14.
CAS

The Resident & Chief Commissioner,
Mysore (Bangal...

Sir,

I have the honour to send you here-with enclosed a copy letter of date addressed to the Government of India with refe... the Rules made by your goodself under section 24 of the Providen Insurance Societies Act V of 1912, and I shall esteem it a very favour if you will kindly take into consideration the claims of members of the London Association of Accountants.

I have the honour to be,

Sir,

Your most obedient servant,

Thos A Palmer

Rule IX of the rules made by the Resident under Sec 24 of the Provident Insurance Societies Act is likely to be amended after the Indian Companies Act, 1913, is applied to Cochin State, in view of letter No. 1885-96 from the Govt of India in the Deptt of Commerce & Industry. Cochin may be taken after the rule is amended.

CAS. 17/3/14

Yes. 17/3

17/3

. A. PALMER, F. L. A. A.,
RTIFIED ACCOUNTANT & AUDITOR.
Representative in India for
London Association of Accountants.

181, DHURRAMTALLAH STREET,

Calcutta, 12th March, ... 1914.

The Honourable Mr R. E. Enthoven, C.I.E., I.C.S.,
Secretary to the Government of India,
Commerce & Industry Department (Companies)
S I M L A.

Dear Sir,

Following my letter of the 17th ultimo and your reply No 11 of the 21st ultimo, I have the honour to send you the following copy a Resolution passed at a Meeting of the Members in India of the Londo Association of Accountants, held on the 5th instant at the Calcutta Accountancy Institute.

"Proposed by Mr Chatterjee and seconded by Mr Palmer that a "Committee of the following gentlemen be formed from among the member "India, Messrs Cooper, Chatterjee, Hughes, Das and Palmer, three to fo "a quorum, to prepare a case showing the eligibility of members of the "Association to practise as Public Accountants and to submit a memoria "to His Excellency, the Viceroy, praying that due consideration be pai "to the claims of members. Carried unanimously.

Since my last letter the "Gazette of India" of the 14th February, 1914 published Rules made by the Resident in Mysore in exercise of the powers conferred by Section 24 of the Provident Insurance Societies Act, V of 1912, as applied to the Civil and Milita Station of Bangalore, amongst which Clause IX reads as follows:-

IX. No person shall be appointed as an auditor, member, officer, or Agent of the Society.

Nor unless he is a fellow or member of one of the following and societies:-

(a) The Society of Chartered Accountants of England and Wales.

(b) The Society of Incorporated Accountants & Auditors, London.

(c) The Society of Accountants in Edinburgh.

(d) The Institute of Accountants and Actuaries in Glasgow.

(e) The Society of Accountants in Aberdeen

(f) The Institute of Chartered Accountants in Ireland.

Nor unless he has obtained a certificate from the Resident in M to the following effect-

(a) that he has either obtained the diploma in commerce at the Government Technical Examinations or passed the London Cha Commerce Book-keeping and Accountancy Examinations and has addition, had at least five years' experience in auditing or

(b) that he is a retired Government Accountant with at least five years' official experience of audit, or a person who has been employed for at least five years to audit municipal or local fund accounts, or

(c) that he has practised as an auditor for five years and holds a certificate of competency from a firm of Chartered Accountants

(d) that he has practised as an auditor for five years and has independently conducted not less than 20 audits of the accounts of mercantile firms or six audits of the accounts of registered companies.

(3) A certificate granted under clause (2) shall be valid for two years

and in the "Gazette of India" of the 28th February, 1914 draft Rules by Commissioner, Delhi, under the same powers of the Provident Insurance Societies Act have been published, amongst which clause XV reads as foll

XV. (a) Members of the following Institutes and Societies are decla qualified to audit the accounts of companies under ~~Act~~ the Act:-

(1) The Institute of Chartered Accountants of England and Wales;

(2) The Society of Incorporated Accountants & Auditors;

(3) The Society of Accountants in Edinburgh;

(4) The Institute of Accountants and Actuaries in Glasgow;

(5) The Society of Accountants in Aberdeen

(6) The Institute of Chartered Accountants in Ireland.

(b) No person who is not a member of one of the above Institutes Societies shall be appointed an auditor of a Provident Insura Company unless he holds a certificate from a Local Government authorising him to audit the accounts of a Provident Insuranc Society under the Act, and unless such certificate is in full force.

In this connection I beg to refer you to your department's letter No 8651-42 of the 20th November 1911 where you will notice it was dist mentioned that "Members of existing Associations of standing in the Un "Kingdom would be recognised" as eligible to audit companies accounts.

By the elimination of the name of the London Association of Accou from sub-clause (1) of Clause IX of the Rules made by the Resident in Mysore which presumably have been made with the authority of the Gover of India it can only be conjectured that the Government of India do no consider the London Association of Accountants as an existing Associat standing in the United Kingdom and consequently members in India of th Association if they wish to practise as Public Accountants in the Civi Military Station of Bangalore will have to obtain a certificate from t Resident in Mysore under sub-clause (2) of Clause IX of the Rules.

The four conditions laid down under subclause (2) for the grant o certificate will be exceedingly ~~f~~ difficult for the present members of Association to comply with and will be impossible to either new member members from the United Kingdom wishing to practise in India.

The first condition requires a candidate firstly, either to ob diploma in commerce at the Madras Government Technical Examinations, certificate of having passed the London Chamber of Commerce Examina Book-keeping and Accountancy, and, secondly, that he has had at lea years' experience in auditing accounts. The first part of this con I admit is not difficult to comply with, but the second part is ver difficult to many present members and impossible to new members or from the United Kingdom.

The second condition requires a candidate that he be firstly a Government Accountant with at least five years' official experience or secondly a person who has been employed for at least five years municipal or local fund accounts. There are not many members of th Association who will be able to comply with this condition conseque majority are barred here.

The third condition requires a person firstly, to prove that h in practice for five years and secondly that he holds a certificate competency from a firm of Chartered Accountants. The first part of condition may not be difficult to a few of the present members but impossible to many of present and all new members. The second part obvious reasons is impossible to both present and new members.

The fourth condition requires a person firstly to prove that h practised as an auditor for five years and secondly that he has ind conducted not less than 20 audits of the accounts of mercantile fir 6 audits of the accounts of registered companies. This condition s the most suitable to present members of the Association to comply w many present and all new members will find it impossible to comply

Sub-clause (b) of Clause XV of the draft rules published by th Commissioner, Delhi, does not state what are the conditions under w grant of the local certificate will be made but it is presumed that conditions as those made by the Resident in Mysore will be generall

Under these circumstances the practice of the profession as fa
Provident Insurance Societies is concerned is practically closed to
of the Association, and it is feared that when Rules under the Indi
Insurance Companies Act, VI of 1912, and under the Companies Act, V
1913 are published the profession will be entirely closed to member
India.

This is, to members in India, a most serious situation to cont
and consequently a Meeting was held at which it was decided to draw
case showing the status of the Association, and submit a memorial t
Excellency, the Viceroy praying that the claims of the Association
properly considered , for it seems an injustice that while members
Association in the United Kingdom are appointed Public Auditors by
Treasury under the Friendly Societies Act, 1896, and the Industrial
Provident Societies Act 1893 they should be debarred from practisin
Public Accountants by one parallel Act in India. The anomaly will
ly seen from the above and it does not seem consistent that British
of a profession should be treated on a different bases in the Homel
the Colonies.

My Committee are at present engaged in preparing a case as mem
above and would deem it a very great favour if we were kindly infor
through your department whether the Governemnt of India is prepared
examine it on its merits and with an open mind

As the time at our disposal is extremely short, the Companies
VII of 1913 taking effect from the 1st proximo I shall be exceeding
obliged by the favour of an early reply.

Thanking you in anticipation.

I have the honour to be

Sir,

Your most obedient servant

(sd) Thos. A. Palmer.

The All India and Burma Provident Fu
BANGALORE.

From The Secretary.

No 73. 754

Date 14th Mar. 1914

16/3/14
1435/14

To B. Warburton Esq I.C.S.
Asst. to The Resident in Mysore —
Bangr

Sir,

According to a paragraph that appears in the Da Post", a notice has been published by the Resident prescri The qualifications of Auditors for Provident Societies Act/ under the Provident Insurance Societies Act. I am di to request you will be so good as to favour me with of the notice in question, as well as with a copy of an Subsidiary rules that may have been framed and published for giving effect to the provision of the Provid Insurance Societies Act, Act V. of 1912. It is under That these rules were published in the Gazette of In of the 14th Feby. 1914

His Obedient Se

Secretary.

I copy of the rules made unde Sec 24 of the Provident Insurance Societies Act, 1912, may be forwarded. Draft submd.

CRS 17/3/14

AO 17/3

I think we should add para 2. MRW 18/3

INDIA GALORE. FUND.

F. B.—1,000.

F 148
19

[DRAFT.]

From

P.B. Warburton, Esq, I.C.S.,
D.A.R

To

The Secretary,
Theatle India and Burma Provn
Bca

2043 1

20th March 1914.

Sir,

With reference to your
No. 73, of the 14th March /

S.3

I am directed to forward
hereunto a copy of the r
made by the Resident und
Sec. 24 of the Provident Soc
Societies Act, 1912 (V of 1912)
as applied to the C.M. Station
Bangalore and published in
Notification No. 5, of the 7th
February 1914.

R S.24

2. I am to add that certain Rules
to Rule IX are under consideration.
I have &c,

PBW

I.O.

11/3/14

C.A.S.
17/3/14

VAS
17/3

F. 148
1912

The Hon'ble the Resident in Mysore

Notification

No. 33. Dated Bangalore 23rd April

The following draft of certain amendments which it is proposed to make in the rules published in Notification No. 5 dated the 7th Feb. 1914, in exercise of the powers conferred by Section 24 of the Provident Insurance Societies Act, 1912 (V of 1912), as applied to the Cantonment of Bangalore, is published, as required by section 24 (3) of the said Act, for the information of persons likely to be affected thereby, and notice is given that the draft will be taken into consideration by the Resident in Mysore on or after the 15th June 1914.

* Copy below

...ny ~~suggestions~~ objections ...
...gestions which may be received ...
...many person with respect ...
...oft amendments before the ...
...ch will be considered by the Board

Draft amendments.

In rules VIII and X(6), for the words 'Part III of the Gazette of India' wherever occurring the words 'the local official Gazette' shall be substituted.

This is necessary if ... by the ... Rules Orders

For rule IX the following shall be substituted.

This follows ... draft at flag K.

IX No person shall be ~~entitled~~ appointed as an auditor or shall act as such under this Act in respect of a Society of which he is a director, member, officer or agent.

X-A. The following persons shall be entitled to be auditors and to act as such in respect of the accounts of any Society registered under the Act, viz:-

(a) Members of the following six bodies, namely, the Institute of Chartered Accountants of England and Wales, the Society of Incorporated Accountants and Auditors, the Society of Accountants.

in Edinburgh, the Institute of Accou
and Actuaries in Glasgow, the Socie
of Accountants in Aberdeen, the Ins
tute of Chartered Accountants in
Ireland, and members of such
other bodies as may, from time to time
be notified by the Governor-General
in Council under the provisions of sectio
144 (1) of the Indian Companies Act
1913 (VII of 1913), as entitled to audit
Companies' accounts.

(b) The holder of any certificate
granted by the Resident in Mysore
under Section 144 (2) of Act ~~VII~~ VII
of 1913 as applied to the Cantonm
ents of Bangalore, or of an un
restricted certificate granted
by any other Local Govt. in British
India in exercise of the same
statutory powers.

H.H.G

I.D.O

To The Publishers, Gazette of India for
publication in Part II of the Gazette

recd 23.4.14

9D/16/4/14 A/8/66/14

2 6 / 4 34

No. 2977-2983-96.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

2663
27/4/1914
From 1487

(Insurance).

Simla, the 18th April 1914.

S.H. Slater, Esq., I. C. S.,

Under Secretary to the Government of India

To

The Honourable the Resident in Mysore

I am directed to invite a reference to my letter 1385-96, dated the 2nd March 1914, and to request that the Government of India may be furnished with copies of rules under Section 24 of the Provident Insurance Societies Act V of 1912, as soon as they have been finally published by you.

I have the honour to be,

Sir,

Your most obedient servant,

S H Slater

Under Secretary to the Government of India.

may be filed pending final issue of rules at Sl. 33

29/4

4/14 V/28/4.

K.L.

[Published in Residency Orders of 18th July 1914 Part I page 15.]

35

THE HON'BLE THE RESIDENT IN MYSORE.

Notification.

Bangalore, the 18th June 1914.

No. 43. In exercise of the powers conferred by section 24 of the Provident Insurance Societies Act, 1912 (V of 1912), as applied to the Civil and Military Station of Bangalore, the Resident in Mysore is pleased to make the following amendments in the rules published in Notification No. 5, dated the 7th February 1914.

Amendments.

1. In rules VIII and X (b), for the words "Part III of the Gazette of India" the words "the local official Gazette" shall be substituted.

2. For rule IX, the following shall be substituted:—

"IX. No person shall be appointed as an auditor or shall act as such under this act in respect of a society of which he is a director, member, officer or agent.

"IXA. The following persons shall be entitled to be auditors and to act as such in respect of the accounts of any society registered under the Act, viz.,

(a) Members of the following six bodies, namely, the Institute of Chartered Accountants of England and Wales, the Society of Incorporated Accountants and Auditors, the Society of Accountants in Edinburgh, the Institute of Accountants and Actuaries in Glasgow, the Society of Accountants in Aberdeen, the Institute of Chartered Accountants in Ireland, and members of such other bodies as may, from time to time, be notified by the Governor-General in Council under the proviso to section 144 (1) of the Indian Companies Act, 1913 (VII of 1913), as entitled to audit companies' accounts.

(b) The holder of any certificate granted by the Resident in Mysore under section 144 (2) of Act VII of 1913, as applied to the Civil and Military Station of Bangalore, or of an unrestricted certificate granted by any other local Government in British India in exercise of the same statutory power."

P. B. WARBURTON
First Assistant Resident

To be published in Residency Orders of 18th July.

R. P. B.—20-6-1914—80.

1912

[DRAFT.]

From

P. B. Warburton Esq. Dr.
I.A.R.

No. 4282 Am. 1, 4283 6 & S.35 4284 6

Here enter Robkr. No. 43 dy the 18th June 1914.

7 26.1 ... 1914.

A copy (with 6 spare copies) (a)

of the foregoing Robkr. is forwarded

to the Registrar of Provident Insurance Societies
Dist. Judges
Dist. Magistrates,

Cantonment, Bangalore, for

information (in continuation of the

office Endt. No. 1005/1006 dy the 18th Feb. 1914

S. 24.

Sd A R Lowe
I.A.R.

23/6/14. AG 26/6

Endt. dy the

* with a copy of Robkr. No. 5 dy the 7th Feb. 14. S. 24.

(a). For Dist. Judge etc Dist. Mgts only.

S. 3.—R. P. B.—4-1914.—10,000.

[DRAFT.]

From

The Hon'ble Lt.-Col. Sir Stuart Beth
K.C.I.E., C.S.I
Resident in Mysore

To

The Pol. Secretary to the Govt. of In
Foreign & Pol. Depart.

No. 42 85 2—2

D/ 26th June 1914.

Sir,

In continuation of this Off
letter No 992 dated the 9th Feb. 1914, I
have the honour to forward herew
for the information of the Govt. of In
a copy* of the Resolution, No. F. 1024
dated the 18th June 1914, making certa
amendments in the rules issued
under Section 24 of the Provident
Insurance Societies Act, 1912 (V
of 1912) as applied to the Civil &
Military Station of Bangalore.

I have &c

S. 25.

* With a spare copy.

D/ 25/6/14.

D.D. 23/6/14. H.S. [illegible] for Resident

S. 3.—R. P. B.—4-1914.—10,

[DRAFT.]

From

The Hon'ble Lt.-Col. Sir Hugh Dah,
K.C.I.E., C.S.I.
Resident in Mysore

To

The Secy. to the Govt. of India,
Dept. of Commerce & Indus

No. 4286 S—32
dated 1914.

Sir,

In continuation of this Office
Letter No. 993 dated 9th Feb. 1914, I
have the honour to forward herewith
for the information of the Govt. of In
32 copies of ~~the Residency~~ Draft Pro.
43 of the 18th June 1914, making
certain amendments in the rules
issued under section 24 of the
Provident Insurance Societies
Act 1912 (V of 1912) as applic
to the Candy Education Fund

I have &c

for Resident

Please
In this connection please
also see the circulars from the
the Govt. of India, Dept. of Commerce &
Industry. Nos. 2977-2982-984
18. 4. 14. & 324.

Cir 28/14
993/28/7/14.
AS 23/6

No. 7605 of 1914

Revenue Department.

Bombay Castle, 15th August 1914.

From

C. W. A. Turner, Esquire, I.C.S.,

Under Secretary to the Government of Bombay;

To

The Hon. the Resident in Mysore.

Sir,

With reference to the correspondence ending with my letter No.1323, dated 11th February 1913, I am directed to forward a copy of the Bombay Provident Insurance Societies Rules, 1914.

I have the honour to be,

Sir,

Your most obedient servant,

C W A Turner,

Under Secretary to Government.

REVENUE DEPARTMENT.

Bombay Castle, 14th July 1914.

No. 6483.—In exercise of the powers conferred by section 24 of the Provident Insurance ieties Act, 1912 (V of 1912), the Governor in Council is pleased to make the following rules y out the purposes of the Act :—

RULES UNDER SECTION 24 OF THE PROVIDENT INSURANCE SOCIETIES ACT, 1912.

Short title. 1. These rules may be called the Bombay Provide Insurance Societies Rules, 1914.

Definitions. 2. In these rules, unless there is anything repugnant in tl subject or context,—

(*a*) "The Act" means the "Provident Insurance Societies Act, 1912";

(*b*) "Society" means a "Provident Insurance Society to which the Act applies";

(*c*) "Provident Insurance business" means any class of business to which the Act applies;

(*d*) "Dividing society business" means provident insurance business under which the amou payable on the policy money becoming due is not fixed but depends either partly wholly on the results of the division of any portion of the premium, income or fun amongst the policies which have become due for payment in proportion to the premiu received under each class in any specified period;

(*e*) "Bond Investment business" means the issue of bonds or policies by which the Society return for premiums or subscriptions payable at periodical intervals of one year or les contract to pay the legal holder of the bond or policy a sum at a future date either wi or without the other specified benefits such as the right to share in the profits of tl society or to an advance for certain specified objects, and not being Life Assuran business;

(*f*) "Ordinary Life Assurance business" means life assurance business transacted on simil lines to those adopted by ordinary life assurance companies, namely, by granting annuiti on human life, or by assuring a fixed sum payable at death, on survivance or on tl happening of any contingency dependent on human life in return for a premium which fixed at the outset for each age at entry. This shall not exclude the case of sums assur and premiums which vary as the result of bonus ascertained by an actuarial valuati conducted in the manner provided for in Schedule IV of the Indian Life Assuran Companies Act, 1912.

3. The provisions of the Act shall, in addition to the contingencies of birth, marriage a ntingencies prescribed under the Act. death prescribed in section 2 (*8*) of the Act extend to the recei of premiums, or contributions for insuring money to be paid happening of any of the following contingencies, or of any other uncertain event coupled thei 1, and shall apply to any society receiving such premium or contributions, namely :—

the payment of sums on a person or persons surviving a given term, age or contingency, a the contingencies arising under any other life assurance business which is not subject the provisions of the Indian Life Assurance Companies Act, 1912;

Bond Investment business;

failure of issue;

provision for the expenses of any ceremonial occasion, such as betrothal, circumcision, thre ceremonies, shaving of the head, etc., which is generally observed among the differe communities in India;

unemployment or retirement from business;

sickness; and

accident.

Provided always that the Act shall not apply to any society which is subject to and compli with the provisions of the Indian Life Assurance Companies Act, 1912.

Registration fees. 4. The following fees shall be payable to the Registrar in ca or by postal money-order for matters transacted under the Act :

(1) Registration of a society (section 6 of the Act), Rs. 100 : provided that a society which h been already registered under the Indian Companies Act shall be exempt from payme of any fee for registration under this Act.

(2) Registration of amendment of a rule (section 8 of the Act), Rs. 5 : provided that no mo than a single fee of Rs. 5 shall be leviable for the amendment of more than one ru when such amendment is intimated to the Registrar in the same communication.

5. (1) No society subject to the Act, other than a society registered under the Indian Cor Name. panies Act before the date of these rules, may register hereaft with a name in which the words "life assurance" or "li urance" occur, or having a name either the same as that of any existing society or oth pany or so nearly resembling it as to be likely to lead to confusion.

2) The name of every society, which is required by section 12 of the Act to be displayed in spicuous position in legible letters on the outside of the office of the society, shall be displayed glish and in the Vernacular of the district in which the office is situated: provided that in ase of offices of societies in the town of Bombay it will be sufficient if the name of the society played in English alone.

ers to be provided for by the rules.

6. In accordance with the provisions of section 5 of the Act, every society,

1) if already existing, shall provide, within six months from the date of these rules, for such of the matters mentioned in the attached Schedule as are not already provided for in their rules; always subject to the condition that the terms of the then existing contracts shall not be altered to the detriment of the policy-holders.

f in any case it is made to appear to the Registrar that the circumstances are such that ger period than six months should be allowed, he may extend that period by such time as he hink fit.

2) if not existing, shall provide in their rules before registration under the Act, for the matters mentioned in the said Schedule.

A copy in English of the rules of the society and of the Schedule duly completed as above, within fifteen days from the date of the adoption of the rules, be sent to the Registrar. forms of the Schedule may be obtained from the Registrar and should be used on each ion when particulars are being submitted in compliance with this rule. The copy of the rules ended rules of a society required to be forwarded in compliance with this rule and sections 6 of the Act shall not be accepted for registration unless it is certified to be a correct copy and ned by the Chairman or Managing Director as well as by the Manager or one of the other nsible officers of the society.

ifications of Actuaries under the

7. (1) Any person who, as an Actuary, investigates the financial condition of a society or signs valuation returns of a society shall be either—

i) a Fellow of the Institute of Actuaries, London, or a Fellow of the Faculty of Actuaries in Scotland; or,

ii) where application is made by a society or by the Registrar and where, in the opinion of the Governor in Council, special circumstances exist,—

(*a*) an Associate of such Institute of Actuaries or of such Faculty of Actuaries; or

(*b*) such other person having actuarial knowledge as the Governor in Council may authorize to be employed to perform the duties of an Actuary.

2) Every application by a society for permission to employ as an Actuary any person other a Fellow of the Institute or Faculty of Actuaries shall state the work for the performance of such person is required, and the Governor in Council, if he grants the application, shall a certificate to be issued to the society permitting, subject to such conditions and restrictions thinks fit, the employment of the person mentioned in the application.

3. An Actuary, when investigating the financial condition of a society, shall either satisfy himself as to the accuracy of the particulars extracted from the books or require a certificate of their accuracy from the Manager ne other responsible officer of the society.

Accuracy of particulars.

). An Actuary, when investigating the financial condition of a society, shall comply with the requirements of the forms set forth in the Fourth and Fifth Schedules of the Indian Life Assurance Companies Act, 1912, or as near thereto as circumstances will permit, and in addition he shall report—

iculars to be given in the report of y.

(*a*) whether the calculations are correct and made on the principles which are contained in the statement required by the Fourth Schedule to the Indian Life Assurance Companies Act, 1912;

(*b*) whether these principles have his approval;

(*c*) whether he has obtained all the information and explanations that he has required;

(*d*) what adjustment was used in the valuation to allow for unequal incidence of the premium income, and for premiums payable more often than once a year;

(*e*) the method by which both the ages at entry and the ages at valuation were arrived at;

(*f*) the rate at each age of the mortality assumed and of the annuity values used in the valuation where the tables employed are not published;

(*g*) whether all negative values were eliminated from the valuation: and

(*h*) the reserve values held against policies effected at ages 20, 30, 40 and 50 and which have been in force for 1, 2, 3, 4, 5, 10, 15 and 20 years, respectively, in respect of—

(i) Whole Life Assurances with premiums payable throughout life;

(ii) Whole Life Assurances with premiums payable for 20 years;

(iii) Endowment Assurances payable at age 60 or previous death.

Further particulars in case of Insolvent Society.

10. In the event of the Actuary finding that the financial condition of the Society is such, in his opinion, that no payment should be made either of bonus to policy-holders or of dividend to members, he shall state whether or not he finds the society to be solvent. If he finds it to be insolvent—

(*a*) he shall state whether he considers that the society could be made solvent as regards existing contracts by the transfer of its subscribed capital (whether paid or unpaid) to make good the deficiency in the Funds. If so, he shall state what, in his opinion, is the amount so required, and whether or not any alteration would require to be made in the rates of premium for future entrants;

(*b*) if he considers that the society cannot be made solvent as regards existing contracts by the transfer of the whole of the subscribed capital to the credit of the Funds in deficit, he shall state what proportion of the sum assured the society would, in his opinion, be able to meet under such contracts, if all the premiums thereunder were reduced proportionately with the sum assured, and all subscribed capital were fully paid up and transferred to such Funds.

Power of Registrar to postpone order under section 18.

11. The Registrar, before cancelling the registry of a society under section 18 of the Act, may—

(*a*) suspend further proceedings for such time as he thinks fit, to enable the unpaid subscribed capital, or a sufficient part thereof, to be called up for the purpose of making good deficiencies in the funds;

(*b*) consent to the society reducing the amount of its contracts upon such terms and subject to such conditions as he thinks just as a means towards winding up.

Liquidation of Societies registered under Indian Companies Act.

12. The Registrar shall not appoint a liquidator under section 19 of the Act in the case of a society subject to the law for the time being in force in British India relating to the registration of Companies.

Liquidator may reduce contracts.

13. When a liquidator has been appointed in terms of section 19 of the Act he may, if he thinks fit, reduce the amount of each of the contracts of the society upon such terms and subject to such conditions as he may think just, as a means towards winding up. If the contracts are not to be reduced in amount as here provided, the liquidator shall ascertain the value of the liability of the society to each person appearing by the books of the society to be entitled to or interested in policies granted by such society. He shall give written notice to such person of the value so ascertained.

Audit of societies not registered under the Indian Companies Act.

14. The accounts of every society not subject to audit in accordance with the provisions of any law for the time being in force in British India regarding the registration of companies shall be audited in accordance with that law.

Qualifications of Auditors under the Act.

15. (1) Members of Institutions or Associations notified by the Governor General in Council under the proviso to sub-section (*1*) of section 144 of the Indian Companies Act, 1913 (VII of 1913) shall be regarded as qualified without certificate to audit the accounts of provident insurance societies throughout the Presidency of Bombay.

(2) Holders of Auditors' Certificates granted by the Governor in Council under sub-section (*2*) of section 144 of the Indian Companies Act, 1913 (VII of 1913) and of "unrestricted" certificates (that is to say, certificates valid throughout British India), granted by other Local Governments in exercise of the same statutory power shall be regarded as qualified to audit the accounts of provident insurance societies throughout the Presidency of Bombay.

Additional particulars in case of societies to which Act applies.

16. Every auditor auditing under the Act the accounts of a society shall state the following additional particulars in his report—

(*a*) whether or not he has personally verified the whole of the investments with the securities and other vouchers and is satisfied as to their correctness;

(*b*) any other matters that he considers should be brought to the notice of the members or policy-holders of the society.

Form of accounts, etc

17. The accounts shall consist of the Revenue Account, Profit and Loss Account and Balance Sheet as prescribed in the forms marked A, C and D appended to these rules; but a society may, if it so desires, submit a separate Revenue Account (precisely similar to form A) for any class of business carried

n by it, but the transactions in respect of a class of business not prescribed under the Act or the ules made thereunder shall not be shown in a Revenue Account showing the transactions in respect f any business which is so prescribed. The Accounts shall be signed by all the directors of the ociety and by the Manager and one of the other responsible officers. If any of these mit to sign, the reason shall be stated. Other statements shall be prepared each year in the llowing forms appended to these rules and signed by the Chairman or Managing Director (if ny) as well as by the Manager or one of the other responsible officers of the society :—

Form B—giving particulars of expenditure which has not been charged as such.

Form E—giving particulars of the relationship existing between the lives assured and those effecting policies.

Form F—giving particulars of the numbers of policies effected at different ages.

Form G—showing the magnitude of the society's policy contracts.

Form H—giving particulars of the new business each year.

Form I—showing for each year the additions to and deductions from the number of policies and the sums assured thereunder.

Form J—giving particulars for each year since the formation of the society of the number of policies that have gone off the books for various reasons.

Form K—showing the claims under dividing society business arranged according to the duration of the policies.

Form $L^{(1)}$ & $L^{(2)}$—giving examples of the sums paid in past years under dividing society business.

The Registrar may, on the application and with the consent of a society, alter those forms as gards that society for the purpose of adapting them to the circumstances of that society.

Signing of accounts.

18. The Chairman or Managing Director (if any) as well as the Manager and one of the other responsible officers of the society shall sign all the accounts and balance sheet, abstracts or statements sent to the Registrar.

Registrar not responsible for accuracy returns.

19. The receipt of an annual return by the Registrar implies no approval of anything it contains. An acknowledgment of the fact that documents purporting to be the annual returns of a particular society have been received will be given, but the acknowledgment does not ply that a valid return has been made or indicate approval of anything that it contains.

Fees for procuring copies of or pecting documents.

20. Documents required under the Act to be submitted to the Registrar shall be open to inspection on payment of a fee of one rupee; and any person may procure a copy of any such document or a part thereof on payment of a fee of six annas for every hundred words or ictional part thereof required to be copied.

Accounts not adopted.

21. If the general meeting before which the accounts are laid does not adopt them, a statement of the fact and of the reasons therefor shall be annexed to the balance sheet and to the copies thereof required to be filed with the Registrar.

Manner of publication of documents.

22. A notice or other document shall be deemed to have been duly published under the Act if copies have been printed in English or the vernacular of the district and sent to the Registrar and to all members and policy-lders.

Register of members.

23. Every society having a share capital and which is not registered under the law for the time being in force in British India relating to the registration of companies shall keep in one or more books a register of its embers, and enter therein the following particulars :—

(*i*) the names and addresses, and the occupations, if any, of the members, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

(*ii*) the date at which each person was entered in the register as a member;

(*iii*) the date at which any person ceased to be a member.

Register of Life Assurance policies.

24. A register of all ordinary life assurance policies issued by a society at any time whether or not they are now in force, shall be maintained by the society in Form M appended to these rules or as near thereto as circumstances will permit.

Register of other policies.

25. A register or registers of all policies, other than those of ordinary life assurance now in force, and of those issued hereafter, shall be maintained by the

SCHEDUI

The matters required to be prescribed by the rules of the society are provided for in the bjoined Schedule :—

Matters required to be prescribed by the rule:	Number of the rules in which these matters are provided for.
) The name and place of the Head Office in British India, the object of the Society and the whole of the contingencies in respect of which it will receive premiums.	(*a*)
) That the society shall not issue any policy either to or for the use of any person other than the life assured without inserting in the policy the name of the person by whom, and for whose use, it is effected and unless the life assured has given his consent in writing to the insurance being effected (if the latter be not of age the written consent of his legal guardian is required). The rules shall also provide that the amount to be assured under a policy effected by or for the use of a person other than the life assured shall not be unreasonable for the purpose of covering the expense or loss which such person has a *bonâ fide* expectation that he will incur in the event of the death of the life assured.	(*b*)
The persons who may effect policies and the persons on whose lives policies may be effected, stating for each class of contingency the limits of age for male and female lives separately ; also the conditions to be complied with by persons applying for insurance in respect of each class of contingency, stating the payments to be made— (1) on application ; (2) on admission ; (3) as monthly or other periodical premiums or contributions and the period for which they are payable ; (4) as fine or other charge for late payment of premiums or contributions ; (5) on any other account in respect of the insurance.	(*c*)
) The maximum sum, including all bonus additions or other benefits, payable (1) at death and (2) on the happening of each other contingency insured against by the society under policies effected on any one life since the date of the Act, and the maximum number of policies under each different class of Provident Insurance business which a single person may hold.	(*d*)
The conditions under which any policy-holder may become entitled to any of the benefits assured, especially as regards (1) the period, if any, during which the happening of the contingency insured against will entitle the policy-holder (*a*) to receive no payment ; (*b*) to receive a reduced payment, in which case the particulars will require to be stated in the rule ; (2) any advance or loan which is guaranteed after payment of premiums for a stated number of years ; (3) any benefits of whatever kind which are determined by lot or ballot ; (4) the exact method of division in the case of dividing society business ; (5) the nature of the evidence required to prove birth, marriage, death or any event, on the happening of which, the insured amount is payable ;	(*e*)
') Disqualifications due to change of occupation, residence, or other specified cause ;	(*f*)
) The length of notice to be given to policy-holders of any required payment of premium before the benefits under the policy lapse or are modified in any way as a result of non-payment, also the consequence of delay in paying any premium, or other contribution also ; the conditions under which the right to full benefit will be restored to a policy-holder whose policy has been altered in any way in consequence of any payment being made late.	(*g*)

Matters required to be prescribed by the rules.	Number of the rules in which these matters are provided for.
The terms under which any policy may be (1) surrendered for a cash payment or (2) kept in force for a reduced benefit without liability to payment of further premiums.	(*h*)
That the conditions governing policies as regards the matters mentioned in (*e*), (*f*), (*g*) and (*h*) above shall be fully set forth in each policy issued after a period not exceeding one month from the date of the registration of the rules providing for such matters.	(*i*)
The appointment, qualifications and powers of the managing body and officers of the society, the conditions under which they may be removed, the method of voting at the meetings of the managing body and the number constituting a quorum.	(*j*)
As to the rights (if any) of policy-holders (1) to vote at a general meeting of the society, (2) to appoint persons to represent them on the managing body and (3) to appoint an auditor.	(*k*)
The length of notice to be given of general (or special) meetings of the society; the length of notice required to be given of any resolution to be proposed at these meetings; the method of voting at them and the number constituting a quorum: and the matters which must be brought before such meetings.	(*l*)
The classes of security in which the funds of the society may be invested.	(*m*)
The procedure to be adopted in making new rules or in altering or repealing existing rules, and prescribing that no such amendment or repeal shall detrimentally affect the terms of contracts then existing, and that copies of amended rules required under section 8 (1) of the Act to be sent to the Registrar shall be so sent within fifteen days from the date of their adoption, and that within one month after their registration a copy of any alteration in the rules which in any way applies to or affects the rights of the then existing policy contracts shall be sent to each policy-holder.	(*n*)
Prescribe the proportion of the annual income of the society derived from premiums or contributions which may be disbursed for the expenses of management of the society, and the method of apportioning the income and the expenses between each class of provident insurance and any other class of business which the society may transact.	(*o*)
In the case of a society which by rule or practice divides any part of the funds thereof, provide for the payment of all debts due by the society existing at the time of division before any such division has taken place.	(*p*)
That every society shall keep a separate account of all receipts and disbursements in respect of each class of business transacted, and the receipts (less the disbursements) of each class shall be carried to and form a separate fund with an appropriate name: Provided that nothing in this rule shall require the investments of any fund of a class of business prescribed under the Act or the rules made thereunder to be kept separate from the investments of any other such fund, but the rule shall provide that the investments of any fund of a class of business not prescribed under the Act or the rules made thereunder shall be kept separate from the investments of the funds of business which are so prescribed and shall not be shown in the Balance Sheet (Form D appended to these rules) for the latter business.	(*q*)
That a fund of any particular class of business prescribed under the Act or the rules made thereunder shall be as absolutely the security of the policy-holders of that class as though it belonged to a society carrying on no other business than insurance of that class, and shall not be liable for any contracts of the society for which it would not have been liable had the business of the society been only that of insurance of that class, and shall not be applied, directly or indirectly, for any purposes other than those of the class of business to which the fund is applicable.	(*r*)

Matters required to be prescribed by the rules.	Number of the rules in which these matters are provided for.
(*s*) The provision, if any, made for the financial position of the society being ascertained by an Actuary, and prescribing that if ordinary life assurance business be transacted by the society it shall neither use any portion of the Life Assurance Fund towards payment of dividend nor allot any bonus to its life assurance policies either by way of addition to the sum assured or to the amount of annuity or as a cash payment or reduction of premium, except as the result of an actuarial valuation conducted as prescribed by sections 8, 9 and 10 of the Indian Life Assurance Companies Act, 1912. The rules shall also provide that any society transacting ordinary life assurance business shall undergo such a valuation at any time it may choose before the 1st January 1917 and at intervals of not more than seven years thereafter and submit the returns to the Registrar in the form as prescribed by the Indian Life Assurance Companies Act, 1912.	(*s*)
(*t*) The method of ascertaining the amount of profit made by the society and the method of distributing such profit amongst policy-holders and shareholders.	(*t*)
(*u*) That the paid up capital shall not be treated as part of the society's assets for the purpose of showing a divisible surplus at the time of any actuarial investigation of the financial condition of the society.	(*u*)
(*v*) That no portion of the paid up capital or other assets shall be released from liability in respect of provident insurance business until the funds applicable to such business are solvent otherwise than by a reduction of the policy contracts. The rules shall also prescribe that no money shall be allocated for payment of dividends on shares at any time while such funds are not solvent otherwise than by a reduction of such contracts.	(*v*)
(*w*) That after the accounts have been duly audited, a copy thereof and of the statements detailed in rule 17 shall be sent to every member and policy-holder entitled to vote at a general meeting, so that at least seven days shall intervene between the day on which they are sent and the last day on which notice of any resolution to be brought before the general meeting will be accepted. That during the period from the date when such accounts and statements have to be sent to members until the time of their adoption in general meeting, they shall be deposited at the Head office and copies thereof at the principal branch or agency office in each of the provinces in which the society transacts business, for the inspection of any member or policy-holder of the society.	(*w*)
(*x*) That the accounts and statements prescribed under the Act shall be laid before the annual general meeting within six months of the expiration of each financial year of the society, (except in the case of a report by an Actuary on the financial position of the society when twelve months are allowed), and within 15 days after having been laid before the general or special meeting of the society and before the expiration of the before mentioned period of six months, (or twelve months, in the case of an actuarial report) three copies in English, and one in the vernacular, if any, of such accounts, statements and actuarial report, (if any) as well as of the report of the Directors or other managing body, and of each resolution adopted at such meeting shall be sent to the Registrar. The rules shall also prescribe that after the accounts have been passed and the report adopted by the society, they, together with a copy of each resolution adopted at the meeting passing such accounts or reports, shall within one month from the date thereof be sent to each member and to each policy-holder.	(*x*)
(*y*) That any member or policy-holder shall be entitled at any time to be furnished by the society with a copy of any part of any account, abstract, statement, or report, which has been submitted to the members or policy-holders at a charge not exceeding six annas for every hundred words or part thereof required to be copied.	(*y*)
(*z*) The procedure to be followed in the event of voluntary winding up of the society if it be not registered under the Indian Companies Act.	(*z*)

Form A.

(REFERRED TO IN RULE 17.)

Revenue Account of the Society for the year ending 19
(for all business prescribed under the Act or the rules made thereunder).

	Rs.		Rs.
Amount of Funds at the beginning of the year :—		Dividends to shareholders payable on 19 for the year ending 19 [This is to be stated here by societies not supplying a Profit and Loss Account.]	
Life Assurance Fund			
Marriage Insurance Fund			
Investment Reserve Fund			
Dividend Reserve Fund			
Other Funds (to be stated separately) ...		Claims under policies paid and outstanding :—	Rs.
		By death	
		By survivance	
		By marriage	
		By birth	
Shareholders' capital paid up at beginning of year.		(Other classes to be specified)	
Shareholders' capital paid up during the year.		Annuities	
Premiums :— Rs.		Surrenders, including surrenders of bonus additions	
insuring sums at death ...		Bonuses in cash	
,, ,, on survivance only.		Bonuses in reduction of premiums	
,, ,, on marriage ...		Expenses :—	
,, ,, at birth ...		Commission	
,, other benefits (to be specified).		Agents' and canvassers' allowances	
Consideration for Annuities granted.		Salaries, etc. (other than to agents and canvassers) ...	
		Travelling expenses	
Interest, dividend, and rents falling due in year. Rs.		Directors' fees	
		Auditors' fees	
Less income tax thereon ...		Medical fees	
		Actuarial fees	
		Rents for offices belonging to and occupied by the Society ...	
		Rents of other offices occupied by the Society	
Entrance fees		Law charges	
		Advertising	
Charge for policy stamps		Printing and stationery	
		Other expenses incurred in year (accounts to be specified) ...	
Fines or other charges on account of premiums paid late.		Other payments (accounts to be specified)	
		Shareholders' Capital paid up at end of year as per Balance Sheet.	
Other sums falling due in year (accounts to be specified).		Amount of Funds at the end of the year as per Balance Sheet ...	
			Rs.
		Life Assurance Fund	
		Marriage Insurance Fund	
		Investment Reserve Fund	
		Dividend Reserve Fund	
		Other Funds (to be separately stated)	

Note 1.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the society's risks.

Note 2.—Every society transacting dividing society business shall show in its accounts both the premium income and the claims of each class of such business separately from the premiums and claims of the other classes of business transacted by the society.

Note 3.—If any class of policy is not qualified for full benefits until after the first year or other stated period, the premium income of that class will be separated accordingly in the above account. In the case of a society having more than one qualifying period for any such business the premium income shall be shown separately for each qualifying period.

Note 4.—If any sum has been deducted from the expenses account and taken credit for in the balance sheet as an asset, the sum so deducted shall be shown as in Form B which shall be submitted along with the Revenue Account. Any sum treated as an asset in this manner should be written off through the Revenue Account within five years from the date on which the expense was incurred; but in any case, the amount must not be treated as an asset at the time of any actuarial valuation made hereafter of the society's assets and liabilities.

Note 5.—The society may, if it so desires, show in this account the amount of commission on new business separately from commission on renewal premiums.

Form B.

(REFERRED TO IN RULE 17.)

Statement regarding preliminary expenses, extension of business, etc.

	Rs.
Balance at beginning of year of preliminary and other expenses not shown as expenditure in the Revenue Account, but appearing as assets in the Balance Sheet of the society for the year ending 19 ...	
Addition thereto during the year *not* shown as expenditure in Revenue Account ...	
Less amount written off during the year as per Revenue Account	
Balance at the end of year of preliminary and other expenses not yet shown as expenditure in the Revenue Account but meantime shown as assets in the Balance Sheet ...	
Total Rs. ...	

The society shall state what arrangements, if any, have been made to write off the balan

(1) Preliminary Expenses, etc.

(2) Cost of Furniture.

Form C.

(REFERRED TO IN RULE 17.)

t and Loss Account of the society for t
year ending 19 (to be completed by all societies except tho
carrying on no other business than ordinary life assurance).

	Rs.	Rs.		Rs.
Balance of last year's account ...			Dividends to shareholders payable on 19 for the year ending 19 ...	
Interest and dividends not carried to other accounts*, *Less* income-tax thereon.			Expenses not charged to other accounts. ...	
			Loss realised† (accounts to be specified) ...	
Profits realised† (accounts to be specified)...			Other payments (accounts to be specified) ...	
Other receipts (accounts to be specified) ...			Balance as per Balance Sheet ...	

* The only sum which it is permissible to enter here is the amount of interest and dividends produced by the investmen presenting the paid-up capital.

† Profits (or losses) which do not belong to any specific fund and any profit (or loss) on the realisation of investments represen g paid-up capital shall be entered here

Form D.

(REFERRED TO IN RULE 17.)

..... sheet of the ..... society for the year ending ..... 19 ..... for the classes of business prescribed under the Act or the rules made thereunder which are transacted by the society.

Liabilities.	Rs.	Rs.	Assets.	Rs.
Life Assurance Fund			Mortgages of property	...
Marriage Insurance Fund			Loans on society's policies within their surrender value	
Investment Reserve Fund			Loans on personal security	
Dividend Reserve Fund			Other loans (to be specified)	
Other Funds contained in Revenue Account (to be stated separately)			Investments in Government securities or in other bonds, debentures, stocks and shares (to be given in detail here, or if numerous the details may be stated on a schedule, the total of the schedule agreeing with the Balance Sheet figure) ...	
Balance of Profit and Loss Account ...			House property	
Total funds as per Revenue and Profit & Loss Accounts			Branch and agency balances	
Shareholders' capital paid up at end of year as per Revenue Account			Outstanding premiums renewable*	
* Claims admitted or intimated but not paid, as under :—			Outstanding interest dividends and rents* ...	
	Rs.		Interest accrued but not payable*	
Life Assurance			Cheques paid into Bank and in course of realisation.	
Marriage Insurance			Cash on deposit with the ....Bank.	
Other classes of business (to be specified) ...			Cash in hand or on current account with the..... .....Bank.	
Unpaid Dividends*			Other assets (to be specified)	
Deposits				
Cheques issued but not presented for payment ...				
Other sums owing by the society* (such as sums borrowed by the society, commission due but unpaid, surrender values outstanding, to be stated separately under each class of business)				

* These sums are or have been included in the corre ponding items in Form A.

Note 1.—The balance sheet must state how the values of the stock exchange securities are ived at and a certificate must be appended, signed by the same persons as signed the balance eet to the effect that in their belief the assets set forth in the balance sheet are in the aggregate lly of the value stated therein, less any investment reserve fund taken into account.

Note 2.—A certificate must be appended hereto, signed by the same persons as signed the lance sheet and by the auditor, to the effect that no part of any fund has been applied directly indirectly for any purpose other than the class of business to which it is applicable.

Note 3.—Societies having investments with any uncalled liability shall state separately the ll amount thereof.

Note 4.—Particulars must be given of all loans, including temporary advances, except loans i policies within their surrender values, made at any time during the year to any director or ficer of a society or to any other society in which any of the said directors or officers may hold ie position either of director or of officer.

Note 5.—Particulars must be given of all commission or other allowance due or paid to any irector or manager or other responsible officer of the society in respect of new business rocured.

Note 6.—Particulars must be given of the balance of the abovementioned branch and agency alances and outstanding premiums, interest, dividends and rents remaining unpaid at the date f the auditor's report.

In the REVENUE ACCOUNT should be entered all the financial transactions of the society by of income and expenditure during the year, whether such transactions have been completed e actual receipt or payment of cash, or are outstanding at the end of the year.

On the *Income* side of this account should appear the premiums for each different class of ance, all entrance fees, fines and other sums due to the society during the year (whether ved or not) under the several items provided in the forms—

(*a*) Investments made or realized should not be entered in this account, but only the *gain* or *loss* made on their realisation, which should appear as income, if gain, and as expenditure, if loss.

(*b*) No deposits in, or withdrawals from, Bank are to be brought into this account.

On the *Expenditure* side should appear all expenses incurred during the year (whether paid utstanding) under the several items provided in the form. Bad debts, losses on Agents' ces should be shown as expenditure.

No item can be included in the funds at the end of the year which was not included in the s at the beginning of the year unless it is shown as an item of income of the year. Similarly iminution can be made in any of the funds in any year without appearing as an item of nditure in the Revenue Account for that year.

The amount of each different fund at the beginning of the year should be the same amount h was stated in the Revenue Account of the society's last return as the amount of those s at the end of the year.

If the balance of any account shown in the previous return be found incorrect, the corrected ice should be brought forward in the next return, and an explanation of the difference given e form itself.

On the Liabilities (or left-hand) side of the BALANCE SHEET there should be brought from the nue Account the amounts of the Funds at the end of the year, as indicated on the form; he particulars stated of any debts incurred on behalf of the society, cash (if any) due by the ty, and any other liabilities incurred by it which may be outstanding at the end of the year.

On the Assets (or right-hand) side should be shown the society's investments together with cash in hand and any other assets of the society. Amongst such other assets will be, nstance—

branch and agency balances;

outstanding premiums;

outstanding interest;

interest accrued but not payable;

cheques paid into bank and in course of realisation.

The amounts of these items shown in the balance sheet will, in the main, be received during next financial year, but they must not again be included amongst the premiums, interest or in the Revenue Account, as they have already been included in the amount shown in that s Revenue Account as "Amount of Funds at the beginning of the year."

Some of these outstanding items which have been taken credit for as an asset may never be at all. The amount of those not realized will have to be written off through the Revenue unt and the funds will be decreased accordingly.

Form E.

(REFERRED TO IN RULE 17.)

Giving particulars of the relationship existing between two lives assured and those effecting policies

Submitted by the society for the year ending 19 .

	Number of Tables in prospectus of society.		
	Table No. 1.	Table No. 2.	Etc.
(1) Number of Policies assuring money to be paid on death of a male life—			
effected during the year by the life assured ...			
" " his wife			
" " " son			
" " " daughter ...			
" " " father			
" " " mother			
" " " brother			
" " " sister			
" " any person other than the above relations.			
(2) Number of Policies assuring money to be paid on the death of female life—			
effected during the year by the life assured ...			
" " her husband ...			
" " " son			
" " " daughter ...			
" " " mother			
" " " brother			
" " " sister			
" " any person other than the above relations.			
Number of policies (assuring money to be paid on death) ted in the year under each different class			

Form F.

(REFERRED TO IN RULE 17.)

Giving particulars of the numbers of policies effected at different ages.

Submitted by the society for the year ending 19 .

Age of life assured.	Number of policies effected in the year under review assuring sums payable at death.			
	Table No. 1.	Table No. 2.	Table No. 3.	Etc.
Under 5 years ...				
Over 5 and under 10 ...				
" 10 " 15 ...				
" 15 " 20 ...				
" 20 " 25 ...				
" 25 " 30 ...				
" 30 " 35 ..				
" 35 " 40 ..				
" 40 " 45 ..				
" 45 " 50 ..				
" 50 " 55 ..				
" 55 " 60 ..				
" 60 " 65 ..				
" 65 " 70 ..				
" 70 "				
Total number effected under each of the life assurance tables.	(These totals should agree with the totals in Form E.)			

Form G.

(REFERRED TO IN RULE 17.)

Showing the magnitude of the Society's Policy contracts.

Submitted by the society for the year ending 19

	Rs. a. p.
Largest amount of annuity paid during the year on any one life under a policy or policies issued after the commencement of the Act; namely, 18th March 1912.	
Largest amount of annuity which the society contracted during the year to pay in the same or in any future year on any one life.	
Largest amount at risk during the year on any one life under life assurance policies effected since the commencement of the Act.	
Largest amount of whole life premiums received or undertaken to be received during the year under life assurance policies on any one life effected since the commencement of the Act.	
Largest amount of premiums received or undertaken to be received during the year under life assurance policies effected since the commencement of the Act on any one life where the premiums are payable for the following limited periods :—	
1 year	
2 years	
3 „	
4 „	
5 „	
6 „	
and so on up to the longest term inclusive.	

What for each class of insurance business other than that of Life Assurance was the largest sum insured during the year against the happening of any one contingency connected with any one person, no matter whether the insurance be under one or more policies—

Class of insurance.	Maximum sum assured.
Birth	
Failure of issue	
Marriage	
Bond investment business	
Unemployment	
Sickness	
Accident	

Note.—When the amount payable under a policy varies it shall, for the purposes of statements G., H. and I., be taken as assuring the amount of the maximum limit which the society stipulates will not be exceeded. If there be no such limit then the largest amount definitely undertaken to be paid shall be entered in these statements.

Form H.

(REFERRED TO IN RULE 17.)

Giving particulars of the new business each yea

Submitted by the society for the year ending 19 .

ntingency on which m assured or other enefit is payable.	Table in prospectus of society.	Total new insurances effected during the years under review.				
		Number of Policies.	Sum assured or annual benefit payable.*	Renewal premium.	Single premium.	
th	No. ...		Rs.	Rs. a. p.	Rs. a. p.	State also :—
cluding death com-ined with some other ontingency.)	No. ...					Number and annu amount of ne annuities and th consideration r ceived.
	No. ...					
	No. ...					
	etc.					
	Total ...	†				
ance of a fixed od only.	No. ...					
	No. ...					
	etc.					
	Total ...					
Marriage	No. ...					
	etc.					
	Total ...					
Birth	No. ...					
	etc.					
And so on for other classes.	Total ...					

*See foot note to form G.

† This total should agree with the total number shown in forms E and F.

Form I.

(REFERRED TO IN RULE 17.)

Showing for each year the additions to and deductions from the number of policies and the sums assured thereunder.

Submitted by the society for the year ending 19

	Policies insuring money to be paid on death.		Policies insuring money to be paid only on survivance.		Annuities.		Marriage Policies.		And so on for each other class of business
	No.	Sum Assured (excluding Bonus additions).	No.	Sum Assured.	No.	Annuity per annum.	No.	Sum Assured.	
		Rs.		Rs.		Rs.		Rs.	
(1) Policies at end of previous year.									
(2) New policies issued as per statement H.									
(3) Old policies revived ...									
(4) Old policies changed and increased.									
Total ...									
Discontinued during year.									
(5) By death									
(6) By maturity or the happening of the contingencies insured against.									
(7) By expiry of term ...									
(8) By surrender									
(9) By forfeiture									
(10) By change and decrease ...									
(11) By not being taken up ...									
Total discontinued ...									
Total existing at end of year ...									

See foot note to form G.

Form J.

(REFERRED TO IN RULE 17.)

Giving particulars for each year since the formation of the society, of the number of policies that have gone off the books for various reasons.

Submitted by the society up to the close of the year ending 19

Year when policy effected.	Number of policies effected in each year.	Number remaining in force at end of year under review.	The difference between the figures of columns (2) and (3) being made up of the following.				
			Claims by death.	Claims by maturity of policy other than by death.	Surrenders.	Forfeitures.	Term policies expired.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Commence with the first year the Company granted insurances of any kind and give the particulars for each year thereafter.)							

A statement in similar form must be given for each table under which the society has at any ne issued policies.

Statements required by this form need not be given until within six months after the close of e first financial year entered upon after the adoption of these rules.

Form K.

(REFERRED TO IN RULE 16.)

Showing the claims under dividing society business, arranged according to the duration of the policies.

Statement submitted by the society, of claims arising in the year ending 19 under each class of dividing society, business.

Number of claims arising in year by death of life assured—

After payment of premium	Table No. 1.	Table No. 2.	Table No. 3.	etc.
less than one year				
one year but less than two years				
two years ,, three ,,				
three ,, ,, four ,,				
and so on,				

If the amount of the sum payable in event of death in the first few months be ascertained by different rule than for deaths occurring later, the first column should be altered accordingly, so at the deaths may be ascertained during each period for which a different method of calculation pplies. For instance, in the case of a society paying nothing in event of death before six months' remiums have been paid and returning the premiums paid in the case of claims when six but ss than eleven months' premiums have been paid, the first column would be shown as follows :—

For less than six months

,, six months but less than eleven months

,, eleven months but less than twelve months

,, one year but less than two years

and so on.

A similar statement must be given of claims by marriage, by birth and under each other class dividing society business undertaken by the society, and a reconcilement shown between the gures in such statements and the amounts shown in the Revenue Account,

Form L(1).

(REFERRED TO IN RULE 17

Statement submitted by the ..... Company up to the close of the year ending ..... giving typical examples of the sums paid under its dividing society policies issued under Table No. _____ on a claim occurring.

Statement giving typical examples of the total sum (including all advances or further benefits no matter when paid) that would have been paid in past years under a policy if it had become a claim immediately after premiums had been paid for 1, 2, 3, 4 and 5 full years, respectively.

Financial year in which claim occurred.	EXAMPLES OF THE TOTAL SUM PAID BY THE SOCIETY UNDER A POLICY THE PREMIUMS ON WHICH AMOUNTED TO Rs. ..... IN EACH YEAR.				
	NUMBER OF YEARS PREMIUMS PAID PRIOR TO DATE OF _____*				
	1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.	Rs.
19 ..... (this being 1st year of company.)	.....				
(2nd year.) 19	.....	.....			
(3rd year.) 19	.....	.....	.....		
(4th year.) 19	.....	.....	.....	.....	
(5th year.) 19	.....	.....	.....	.....	.....
and so on up to 1912	.....	.....	.....	.....	.....
1913	.....	.....	.....	.....	.....

* State here "death" or "marriage" or whatever may be the contingency on the happening of which the policy money is payable,

Statements in the following form must be given by Life Assurance Companies for each class of insurance under which the amount of the sum payable on the policy becoming a claim is not fixed, but depends either partly or wholly on the result of the division of any portion of the premium income or funds amongst the claim policies in proportion to the premiums paid under each class in any specified period. This shall not be held to apply to policies insuring a fixed amount which, so long as the premiums are duly paid, can only vary as the result of bonus ascertained by an actuarial valuation conducted in the manner provided for in schedule IV of the Indian Life Assurance Companies Act, 1912.

If the particulars required by the form of statement vary for different ages at entry, particulars must be given separately for age at entry 40 as well as for the youngest and for the oldest ages at entry for which policies are now obtainable according to the rules of the company.

If the period of division be other than one year the form of statement will be adjusted accordingly.

Particulars must be stated of the periods, if any, during which policies becoming claims do not qualify for full benefits.

Form L(2).

(REFERRED TO IN RULE 17.)

Statement submitted by the _____ Company up to the close of the year ending _____ 19 , giving particulars of the terms of the policy contracts in force in past years and of the total payments (including all advances or further benefits no matter when paid) that were made in past years under policies which insured a sum which depended either partly or wholly on the result of the division of any portion of the premium income amongst the claim policies in proportion to the premiums paid under each class in any specified period. This shall not be held to apply to policies insuring a fixed amount which, so long as the premiums are duly paid, can only vary as the result of bonus ascertained by an actuarial valuation conducted in the manner provided for in Schedule IV of the Indian Life Assurance Companies Act, 1912.

Class of insurance _____ (a)

Age at entry _____ (b)

Total number of years for which premiums are payable when they are only payable for a limited period. _____

Amount of premium payable each month Rs. _____

Particulars of entrance fee or any other payment required to be made by the policyholder. _____

Terms in force and result of division of premium income in each year since policies of this class were first issued.

Year.	Number of months after date of entry during which the company pays nothing in the event of a claim occurring. (1)	Number of months thereafter during which the company pays a sum (in event of claim) which bears to the amount of the premiums received a ratio which is fixed before issue of policy. (2)	Ratio referred to in (2) which the sum paid bears to the premiums received under the policy. (3)	Minimum guaranteed amount payable by the Company in event of claim after policy is fully qualified. (4)	Ratio which the total amount of claim paid under fully qualified policies bears to the amount of premiums received when the amount of each claim under qualified policies was in excess of the guaranteed minimum stated in (4) and depended on a division of the premium income amongst the claim policies in proportion to the premiums paid. (5)
1st year up to _____ 19 .	.....	.....	.....	.....	.....
2nd year up to _____ 19 .	.....	.....	.....	.....	.....
3rd year up to _____ 19 .	.....	.....	.....	.....	.....
And so on up to _____ 1913.	.....	.....	.....	.....	.....

(a) State here "death," "survivance," or "marriage" or whatever may be the contingency on the happening of which the policy money is payable.

(b) If the particulars required by the form of statement vary for different ages at entry, particulars must be given separately for age at entry 4) as well as for the youngest and for the oldest ages at entry for which policies are now obtainable according to the rules of the Company.

If the period of division be other than one year the form of statement will be adjusted accordingly.

FORM III.

(REFERRED TO IN RULES 24 AND 25.)

A Register of policies.

| Policy number. | | |

Mg: 1054 — ngalore. 4th Dec

29-12-14

From

The President

Mysore Subrain Cattle Family

Benefit Fund (Ltd)

Bangalore.

To

The Registrar.

Co-operative Societies Circle

Bangalore

Sir,

With reference to your letter No 8 dated 27th November 1914, I beg to request that you will be so good as to furnish me with a copy of the Rules issued by the Registrar under the Provident Insurance Societies Act 1912 (Mys 1912). So will you kindly send a copy of the Act. to guide me in the management of the Fund.

I beg to remain

Sir

Your most obedient servant

J. P. Sewell

President

Draft Subd.

29/12/14 Mys 9/12 MBL 1/1

[DRAFT.]

From

P. B. Warburton Esq. I.C.S.
D.C.P

To

The President,
Mysore Indian Catholic Fun
Benefit Fund Ltd
Bangalore.

148 2

D/14th Dec 1914.

Sir,

With reference to your letter
dt/the 4th Dec. 14, I am directed
to forward herewith a copy of the Rule
issued by the Resident in Mysore
under the Provident Insurance
Societies Act 1912 (II of 1912) and
to request that a sum of annas two
being the price thereof may be
forwarded to this Office at an
early date.

2. The Provident Insurance
Societies Act is not available
at this Office and should it may
be obtained from the Supdt. of
Govt. Printing India, Calcutta.

I have &c.

Residency Memo No. 5 dy
7th Feb. 15.
—— Do —— No. 43 dy
18th June 1915.
(vide notes below)

S. D. 9/12

Ext. file 148 of 1912

(orders thereon 5/14)

The Hon'ble the Resident in Mysore.

Notification.

10 Y, Bangalore 5th ~~January~~ July 1917

In exercise of the powers conferred by section 24 of the Provident Insurance Societies Act, 1912 (V of 1912) as applied to the Civil and Military Station of Bangalore, the Resident in Mysore is pleased to make the following amendment in the rules published in notification No. 5, dated the 7th February 1914.

Amendment.

In rules VIII and X(b) for the words "in the principal newspaper published in the C.& M. Station of Bangalore" the words "in a newspaper or newspapers approved by the Registrar" shall be substituted.

A. J. S. Fuller
First Assistant Resident.

Km

To be published in the Residency Orders.